

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Business-Cooperative Service

SALE OF REAL PROPERTY BY THE UNITED STATES

SECTION I - INVITATION FOR OFFERS

Property is being sold by the United States of America. Offers are to be prepared on this form and submitted in duplicate, and are for the purchase of real property located at 39-3325 Old Government Main Road, Ookala, Hawaii 96774 and 39-3328 Old Government Main Road, Ookala, Hawaii 96774, (former Ookala Sugar Mill site), Tax Map Key Number (3) 3-9-001-004, consisting of 31.65 acres of land of which 22.30 acres are zoned MG-1A (General Industrial) and 9.35 acres are zoned RS-10 (Residential), and more particularly described in Exhibit A attached hereto and made part of this sale. Improvements include six industrial-use buildings (warehouses, mill, shop, etc.). The offers are subject to all conditions and instructions stated in Section II below. The Government will pay three percent (3%) of the sales price as a commission to an active, licensed real estate broker in the State of Hawaii who submits a bona fide offer accepted by the Government. Subject commission will be considered earned upon closing and recordation of the sale and will be paid upon closing and recordation of the sale. Offers will be received as follow:

Mailing Address for Offers : United States Attorney's Office, 300 Ala Moana Blvd.,
PJKK Federal Bldg., Rm 6-100, ATT: FLU/Property
Offer, Honolulu, HI 96850

Asking Price: \$1,375,000.00 (One Million Three Hundred Seventy-Five
Thousand Dollars and No Cents)

Deposit: An offer deposit in the amount of \$10,000.00 (Ten Thousand
Dollars and No Cents) shall accompany all offers. The offer
deposit must be in the form of a certified check, cashier's check,
postal money order, bank money order, or bank draft.

This property will be sold without regard to race, religion, color, sex, marital status, age, or national origin.

SECTION II - CONDITIONS AND INSTRUCTIONS

GENERAL APPLICABLE TO ALL OFFERS:

1. **Offer Deposit.** All offers must be accompanied by certified check, cashier's check, postal money order, bank money order, or bank draft, **payable to the United States Department of Agriculture**, for at least \$10,000.00 (Ten Thousand Dollars and No Cents).

2. **Deed to Property.** Within thirty (30) days after acceptance of the offer, the Government shall prepare for the successful buyer a quitclaim deed to the property.

3. **Encumbrances or Defects.** If the purchaser, before receiving a deed and within thirty (30) days after the Government's acceptance of the offer, submits proof of any encumbrance or title defect, the Government may take any necessary remedial action. If the Government does not elect to exercise the right, the purchaser may, if such encumbrance or title defect affects the marketability of the title, rescind the purchase obligation and recover all amounts paid by the purchaser to the Government on account of the purchase price. However, neither the purchaser nor parties claiming under the purchaser shall be entitled, under any circumstances, to recover from the Government any damages, interest, or costs on

account of any encumbrance or defect affecting the title of the property. Unless proof of encumbrances or defects, other than any enumerated on Exhibit A, is submitted by the purchaser within the time specified above, any and all such encumbrances and defects shall be conclusively presumed waived, and the purchaser and any parties claiming under the purchaser shall be forever barred from asserting them against the Government.

4. Abstracts or Title Evidence. The Government is not obligated to furnish any abstracts or other title evidence but will permit interested purchasers to inspect its title papers at a place selected by, and at no expense to, the Government.

5. Accepting the Property. The purchaser agrees to accept the property as is, in its present condition. No warranty is given on the property or the title thereto.

6. Loss of Damage to Property. If, through no fault of either party, the property is destroyed or damaged as a result of fire, vandalism or an act of God between the time of acceptance of the offer and the time the title of the property is conveyed by the Government, the Government will reappraise the property. The reappraised value of the property will serve as the amount the Government will accept from the purchaser. However, if the actual loss as determined by the Government is less than \$500, payment of the full purchase price is required. In the event the two parties cannot agree upon an adjusted price, either party, by mailing notice in writing to the other, may terminate this contract of sale, and the earnest money deposit shall be returned to purchaser.

7. Possession Rights. The purchaser will accept the property subject to the rights of any person or persons in possession or presently occupying the property or claiming a right to occupy the property.

8. Payment of Taxes. If the property while in Government inventory is subject to taxation, the taxes will be prorated between the Government and the purchaser as of the date title is conveyed. If the property is not subject to taxation while in Government inventory, the purchaser will pay all taxes on the property which become due and payable on or after the date the title of the property is conveyed by the Government.

9. Mineral Rights. The Government will convey to the purchaser all mineral rights to which it has title.

10. Acceptance or Rejection of Offers. The Government may accept any offer or reject any or all offers and may waive any defects therein.

11. Escrow. Within five (5) business days from the date the sales contract is signed, the following is required:

- a. Purchaser must open escrow with a 10% earnest money deposit, less the offer deposit, and
- b. Purchaser must pay all closing costs associated with escrow, except for property taxes which will be prorated as provided in Item 8 above.

12. Liquidated Damages. If the purchaser should fail to comply with any of the terms or conditions hereof, the Government, by mailing notice in writing, may terminate the contract for sale. The earnest money deposit shall be retained by the Government as full liquidated damages.

13. Representations Regarding Property. Representations or statements regarding the property made by any representative of the Government shall not be binding on the Government or considered as grounds for any claim for adjustment in or rescission of any resulting contract. The purchaser expressly waives any claim for adjustment or rescission based upon any representation or statement not expressly included herein.

14. Member of Congress. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of the contract of which these conditions form a part, or to any benefit that may arise therefrom.

15. Documentary Stamps. The purchaser will be required to purchase and place upon the deed the necessary documentary stamps.

SECTION III - OFFER

Amount of Offer

Date

The undersigned offers to purchase from the United States of America, herein referred to as the Government, the property described on Exhibit A attached hereto, for the sum of _____ dollars

(\$ _____), based on cash payment in full upon receipt of quitclaim deed and in accordance with all conditions enumerated in Section II, above, provided a sales contract is entered into between the purchaser and the Government.

(Interested Purchaser's Signature) _____

(Type or Print Interested Purchaser's Name) _____

(Address-Zip Code-Print or Type) _____

(Telephone No.-Print or Type) _____

SECTION IV - ACCEPTANCE BY THE GOVERNMENT

This offer is accepted on the basis of cash payment in full upon receipt of quitclaim deed for the principal sum of

_____ dollars

(\$ _____), subject to the conditions and instructions in Section II.

Date of Acceptance _____

UNITED STATES OF AMERICA

By _____
LORRAINE P. SHIN, State Director
United States Department of Agriculture,
Rural Development, acting on behalf of
Rural Business-Cooperative Service

EXHIBIT "A"

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Royal Patent Grant 2467 to Hanehane and Kaawapuupuuole) situate, lying and being at Ookala, District of North Hilo, Island and County of Hawaii, State of Hawaii, bearing Tax Key designation (3) 3-9-001-004, and containing an area of 31.65 acres, more or less.

Being the premises acquired by Ahualoa Sawmill Corporation pursuant to Warranty Deed dated May 26, 1998, recorded at the Bureau of Conveyances of the State of Hawaii as Document No. 98-076197.

Subject, however, to the following:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Grant of a perpetual right and easement to build, etc. pole and wire lines and/or underground lines over portion of Grant 2467, in favor of GTE Hawaiian Telephone Company Incorporated dated April 1, 1982, recorded in said Bureau in Liber 16302, on Page 172.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.
4. Any unrecorded leases and matters arising from or affecting the same.
5. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.
6. Grant of a non-exclusive, non-perpetual right and easement to repair, maintain and operate that certain tunnel water system and below-ground water lines, in favor of Hamakua Housing Corporation dated September 18, 1995, recorded in said Bureau as Document No. 96-089271.
7. Designation of Easement "1" (36,331 square feet), for access and utility purposes, as shown in Deeds dated March 7, 1996, recorded in said Bureau as Document No. 96-033867, and dated August 7, 1996, recorded in said Bureau as Document No. 96-115786, and containing an area of 36,331 square feet, more or less.
8. The use of and access to and around the cesspool located on TMK (3) 3-9-001-004 in favor of TMK (3) 3-9-001-038, as set forth in Deed dated September 18, 1995, recorded in said Bureau as Document No. 96-089273, and also in favor of TMK (3) 3-9-001-039 as set forth in Deed dated September 18, 1995, recorded in said Bureau as Document No. 96-089274.
9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Trustee's Deed and Grant of Easements dated February 7, 1997, recorded in said Bureau as Document No. 97-017677.
10. Encroachment onto TMK Parcel (3) 3-9-001-027 across the common boundary between TMK Parcels (3) 3-9-001-027 and (3) 3-9-001-004, by existing building located on the subject property TMK (3) 3-9-001-004 adjacent to the Old Ookala Sugar Mill, as stated on Trustee's Deed dated February 7, 1997, recorded in said Bureau as Document No. 97-017677.
11. Grant of a perpetual right and easement to construct, reconstruct, repair, maintain and operate pole and wire lines, etc., for the transmission and distribution of electricity, in favor of Hawaii Electric Light Company, Inc. and GTE Hawaiian Telephone Company Incorporated dated February 10, 1997, recorded in said Bureau as Document No. 97-030683.
12. Grant for roadway and utility purposes, including without limitation, the right of ingress and egress, and the construction, reconstruction, installation, maintenance, operation, replacement and repair of improvements constructed for said purposes, in favor of Leonard Bert Cardoza and Sandra Sadako Cardoza, husband and wife, dated May 26, 1998, recorded in said Bureau as Document No. 98-076194.